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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER	
DURAN, ARTHUR D	

ART UNIT	PAPER NUMBER
3622	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/074,386	MCAULIFFE ET AL.	
	Examiner	**Art Unit**	
	Arthur Duran	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on _9/25/09_.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) _1-9,11,12 and 15-42_ is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _1-9,11,12 and 15-42_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claims 1-9,11,12 and 15-42 are examined.

Response to Amendment

The Remarks filed on 9/25/2009 are sufficient to overcome the prior rejection. However, a new 103 rejection has been made.

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 9/25/09 has been entered.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

1. **Claims 1-9, 11, 12, 15-29, 32, 34-37, 39, and 41-42, are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan et al. (US 2001/0018665 A1) in view of Voltmer (US 20020143626A1) in view of Mitchell (7,496,525).**

2. Regarding claim 1, 15, 29, and 36, Sullivan et al. teaches of a system and method for administering promotions between manufacturers and retailers. (Sullivan et al., Title, Abstract). Sullivan et al. teaches of “recording, capturing, tracking, reporting,

monitoring, verifying and settling product promotions." (Sullivan et al., Summary of the Invention, [0019]). That system then determines if the retailer sold a manufacturers product, and if so, executes payment (ie. an incentive) from the retailer to the manufacturer. (Sullivan et al., Summary of the Invention, [0021]). Sullivan et al. teaches of a system where the assumption is that the manufacturer is different from the seller. (Sullivan et al., Summary of the Invention).

Sullivan further discloses a manufacturer system, retailer system (Fig. 1); and promotions and agreements involving manufacturers and retailers (Fig. 2a).

Also, Sullivan et al. teaches of a database on a computer determines the incentive based on specific products. (Sullivan et al., Detailed Description, [0072]). Sullivan et al. teaches that the computer is used to determine the amount due to the manufacturer. (Sullivan et al., Detailed Description, [0097]).

Sullivan et al. does not explicitly teach of determining if the manufacturer is the seller or of only paying the incentive if the manufacturer is not the seller to the end user. Sullivan does not explicitly disclose compensating a manufacturer where a seller owns the products for sale. . .wherein the seller is not also the manufacturer of the purchased product.

Additionally, on 9/25/09, Applicant added the following new features: "distributing the manufacturer incentive to the manufacturer, <u>wherein the products were previously sold by the manufacturer in a first sale transaction and the manufacturer incentive is distributed as a result of the subsequent sale transaction"</u>.

Sullivan does not explicitly disclose wherein the products were previously sold by the manufacturer in a first sale transaction and the manufacturer incentive is distributed as a result of the subsequent sale transaction. Note that this can be interpreted as the manufacturer selling the product to the seller/retailer, then the seller/retailer selling the product to the end shopper, then the manufacturer receiving an incentive after the seller/retailer sale to the end user.

However, Voltmer discloses that manufacturer-seller contracts and promotions/rewards can go across tiers and back and forth between all parties involved (Fig. 1; Figures 4-7; [43, 44]).

And, the Voltmer renders obvious that incentives are distributed to the manufacturer when the manufacturer is not the owner of the sold goods.

Voltmer discloses a manufacturer party distinct from a retailer party ([31]; Figures 1, 4-7). Voltmer further discloses that the seller of the purchased product is the owner of the product and also that the manufacturer of the product is not the seller ([31]).

And, Voltmer further renders obvious that incentives can be distributed to the manufacturer.

Voltmer discloses that manufacturer can be given, allocated or donated points:

"[0047] In accordance with a further aspect of the invention, <u>the system administrator may allocate rewards points to participants in the system</u>. In one embodiment, participating retailers and/or manufacturers may purchase points from the system administrator and the points are then allocated to an account associated with the retailer and/or manufacturer. In an alternate

embodiment, <u>the system administrator may give or donate points to participating retailers and/or manufacturers.</u> The system administrator maintains an account with each of the participating retailers and manufacturers and tracks available points balances and/or balances owing on a rolling basis.

[claim] 56. A method for implementing a loyalty program, the method comprising the steps of: <u>receiving and storing manufacturer item identifiers; allocating rewards points to at least one of a manufacturer and a retailer</u>;

Also, Voltmer discloses that manufacturers can be participants:

“[0030] <u>As used herein, the terms "user" and "participant" shall interchangeably refer to any person, entity, charitable organization, machine, hardware, software, or business who accesses and uses the system of the invention, including consumers, retailers, manufacturers, and third-party providers. “</u>

And, Voltmer discloses that participants can receive incentives or awards for purchases:

“This universal rewards currency may be "spent" by participants who have earned rewards and accepted by the other participants in the multi-tiered network created by the system” (Abstract);

“[11]… In accordance with one aspect of the invention, the association of UPC and SKU data by the system facilitates implementation of an incentive or loyalty program by providing a universal rewards currency. <u>This universal rewards currency may be "spent" by participants who have earned rewards and accepted by</u>

the other participants in the multi-tiered network created by the system. The network may comprise any number of participants, including consumers, retailers (and any of their employees), manufacturers, third-party providers, and the like.

[0043] In accordance with one aspect of the invention, the association of UPC and SKU data by the system facilitates implementation of an incentive or loyalty program by providing a universal rewards currency which may be "spent" by participants who have earned rewards and accepted by the other participants in the multi-tiered network created by the system. The network may comprise any number of participants, including consumers, retailers (and any of their employees), manufacturers, third-party providers, and the like. Each of these categories of participants may be considered a tier in the network, and each participant within the various tiers may design and implement an independent rewards scheme within the context of the universal environment provided by the system. “

Also, Voltmer discloses that the flexibility of the system allows any tier or party to provide rewards to any other tier or party:

“[0043] In accordance with one aspect of the invention, the association of UPC and SKU data by the system facilitates implementation of an incentive or loyalty program by providing a universal rewards currency which may be "spent" by participants who have earned rewards and accepted by the other participants in the multi-tiered network created by the system. The network may comprise

<u>any number of participants, including consumers, retailers (and any of their employees), manufacturers, third-party providers, and the like. Each of these categories of participants may be considered a tier in the network, and each participant within the various tiers may design and implement an independent rewards scheme within the context of the universal environment provided by the system. ..</u>

[0044] Since the system is capable of processing, associating, and quantifying a variety of data, including consumer data, employee data, retailer data, manufacturer data, SKU number data corresponding to Item X, and UPC data assigned by Manufacturer 1, for example, this data can then be used by the manufacturer, the retailer, the system administrator, and/or a third-party provider to provide rewards to consumers, employees, retailers, etc. …

[0045] Since rewards, which may be in the form of rewards points, may be earned across the various tiers in the network, rewards may also be used or spent across the various tiers in the network."

Hence, note in these preceding citations ([44, 45]) that the system administrator can also give out award points.

Hence, Voltmer discloses the necessary structure for the manufacturer to receive awards points (Figures 1, 4-7). And, Voltmer discloses that manufacturers can be given award points by the system administrator. Or, Voltmer discloses that manufacturers are participants and that participants are given award points. Or,

Voltmer discloses that any participant or tier in the network can set up the giving of award points to any other participant or tier in the network.

Hence, Voltmer renders obvious the manufacturer being given award points.

And, as a further example of these features, Mitchell further discloses wherein the products were previously sold by the manufacturer in a first sale transaction and the manufacturer incentive is distributed as a result of the subsequent sale transaction (Note that this can be interpreted as the manufacturer selling the product to the seller/retailer, then the seller/retailer selling the product to the end shopper, then the manufacturer receiving an incentive after the seller/retailer sale to the end user). Mitchell discloses these features (Figs. 5, 4, 7, 9, 1; claim 1, 18; Abstract; 2:1-22). Note in these citations that it is an “independent retailer”. Also, note that the inventory for the product is separately kept at the distributor or retailer. Therefore, the distributor has the product separately obtained from the manufacturer before the product is sold to the end customer. Hence, in Mitchell, the product goes from the manufacturer to an distributor/retailer then to an end shopper (Figs. 8, 9). And, note that the manufacturer receives the incentive in the form of money that is provided for each item that is sold at the end retailer/distributor.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, that the manufacturer can provide the product to a retailer/seller who provides the product to an end user and that the manufacturer can be compensated after a sale by the retailer/seller. One would have been motivated to do this to better maximize profits for all parties involved (as noted in Mitchell).

3. Regarding claim 11, Sullivan et al. teaches that the database server stores multiple promotions for products. (Sullivan et al., Detailed Description, [0072], [0079]).

4. Regarding claim 24 and 25, Sullivan et al. that the system determines which incentive to apply to the product. (Sullivan et al., Detailed Description, [0087]).

5. Regarding claim 12 and 26, Sullivan et al. teaches that the amount paid to the manufacturer is based on the sale of a product. (Sullivan et al., Summary of the Invention, [0021]).

6. Regarding claims 27-28, Sullivan et al. teaches of a similar method of adjusting the promotion. (Sullivan et al., Detailed Description, [0086], [0093]).

7. Regarding claim 2, 16, 30, and 37, applicant teaches that the incentive is a percentage of a purchase price of the purchased product. Regarding claim 3, 17, 32, and 39, applicant teaches that the incentive is a percentage of profit from the sale. Regarding claims 34 and 41, applicant teaches that the incentive is a "fixed fee." Regarding claims 35 and 42, applicant teaches that the incentive is a "discount." Sullivan et al. teaches of a method whereby a retailer sells a manufacturers product. (Sullivan et al., Summary of the Invention, [0021]). Sullivan et al. teaches that the retailer pays the manufacturer after the product is sold. (*Id.*, *see also* Dictionary.com for consignment).

Sullivan et al. does not explicitly teach how the manufacturer is paid, however, OFFICIAL NOTICE is taken that percentage or profit, revenue, discounts, and fixed fees are common methods for paying manufacturers and retailers. For example, in the franchising industry (such as Subway, McDonalds, etc.), the franchisee pays the

franchisor a percentage of the total revenues or a percentage of the profit that they make. In the newspaper industry, a paperboy pays the newspaper company a fixed fee for each individual newspaper that is sold. In the auto-industry, a dealership pays the car manufacturer a flat predetermined “sticker-fee”. In the soft-drink beverage industry, discounts are provided based on volume purchased. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to choose from any of these well-known methods of compensation. One would have been motivated to use these methods based on the product they were selling and the relationship with the manufacturer.

8. Regarding claims 4-9 and 18-23, which introduce that the incentive is computed based on product attributes (Claims 4 and 18) such as “product category” (Claims 5 and 19), “product name” (Claims 6 and 20), “product family” (Claims 7 and 21), “equivalent product” (Claims 8 and 22), and “product date code” (Claims 9 and 23). Sullivan et al. does not teach explicitly teach such data content. Sullivan teaches of individual promotions based on products (including product name) (Abstract), product family (Sullivan et al., Detailed Description, [0078]) and product UPC (*Id.*). (Examiner notes that product UPC entails a number of different product categories). However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the method (or structurally programmed) steps recited. The steps would be performed the same regardless of data content. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of

Patentability, see In re Gulack, 703 F.2d 1381, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill at the time of the invention to select from a variety of different product attributes. Such data content does not functionally relate to the steps and the subjective interpretation of the data content does not patentably distinguish the claimed invention.

9. Claims 31, 33, 38, and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan et al. (US 2001/0018665 A1) in view of Voltmer (2002/0143626) in view of Mitchell (7,496,525) in view of Woolston (US 5,845,265).

10. Regarding claims 31 and 38, applicant teaches that the percentage of revenue is calculated on the purchase price set by auction. Sullivan et al. teaches of selling products where the retailer pays the manufacturer. (Sullivan et al., Summary of Invention, [0021]).

Sullivan et al. does not explicitly teach of selling the products in an auction. Woolston teaches of selling products in an auction by whereby the payment is made after the auction. Woolston gives an example whereby the amount paid is the percentage of sales price (ie. 6% in the baseball card example). (Woolston, Col 4, Lines 10-37). Therefore, it would have been obvious to one of ordinary skill, at the time of the invention, to sell the products in an auction and pay a percentage of the sales price. One would have been motivated to so because an auction, like a retailer outlet, is a common method for selling products.

11. Regarding claims 33 and 40, applicant further teaches that the percentage of profit is calculated on the purchase price set by auction. Woolston does not explicitly teach that the amount paid is a percentage of the profit. OFFICIAL NOTICE is taken that percentage of profit is a common method for paying manufacturers and retailers. See ¶ 11 above for rejection.

Response to Arguments

12. Applicant's arguments have been considered but are moot in view of the new grounds of rejection above. Note the addition of Mitchell to the 103 rejection above.

Conclusion

The following prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

a) Senghore (US 20070198354A1) discloses relevant features; Haines (US 20030033211A1) discloses relevant features ([10, 57, 60, 95]); Hisamatsu (20020007328) discloses relevant features ([85,93]).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Arthur Duran whose telephone number is (571)272-6718. The examiner can normally be reached on Mon- Fri, 8:00-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner’s supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Arthur Duran
Primary Examiner
Art Unit 3622

/Arthur Duran/

Primary Examiner, Art Unit 3622

1/5/2010